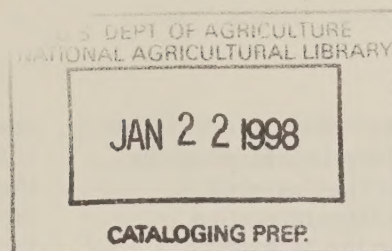


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Sharply Fewer Counties Depend on Farming

Robert A. Hoppe, Economist

Farming is a leading source of income for fewer than 700 U.S. counties today, a sharp drop from the more than 2,000 such counties 30 years ago. This decline, with an accompanying erosion of farmers' political power, nonetheless introduces economic opportunities for both farmers and their rural communities. The growth in nonfarm business gives farmers a chance to supplement their income with a job off the farm. And rural economies may become more "recession-proof" now that they have a more balanced mix of income sources, including farming.

The largest decline—33 percent—in the number of counties where farming was a leading source of income occurred in the fifties. Technical advances in farm production which released people from farming contributed to this and later declines. Another important factor was the growth in nonfarm employment in rural communities which outdistanced farm employment growth.

This review of the changing dependence of U.S. counties on farming considered farming a leading source of income if it produced 20 percent or more of proprietors' and labor income (table 1).¹

Dependence Varied Since 1950

Five groups emerge when U.S. counties are compared according to their changing dependence on farming since the early fifties: consistently farming counties, farm-loss counties, formerly farming counties, nonfarm counties, and a nonexclusive category called overshadowed counties where a large farm sector is eclipsed by even larger nonfarm economic activities.

Consistently farming counties earned at least 20 percent of their income from farming in 1975-77 and in two or three of the earlier time periods. There were 673 counties in this group, mainly concentrated in a triangular area with its corners in eastern Montana, western Wisconsin, and west-central Texas.

Farm-loss counties lost money farming, or earned low farm income per farmer in 1975-77. The 128 counties in this group had earned at least 20 percent of their income from farming in the earlier periods, but not in the midseventies. About 90 of these counties were west of the Mississippi River—60 of them in Texas, Kansas, and Nebraska.

Table 1—Counties receiving at least 20 percent of their proprietors' and labor income from farming.

Census division	1950 ¹	1959	1969-71 ²	1975-77 ²
	Number			
New England	9	6	2	1
Middle Atlantic	24	3	0	0
East North Central	235	109	68	76
West North Central	549	434	399	295
South Atlantic	323	198	94	66
East South Central	279	184	99	55
West South Central	348	245	148	101
Mountain	188	136	105	67
Pacific	61	40	26	23
Total	2,016	1,355	941	684

¹Alaska and Hawaii not included.

²A 3-year average was used to minimize effects of adverse weather or markets. Lack of data for each year in earlier decades prevented similar averaging for 1950 and 1959.

Source: Bureau of Economic Analysis, U.S. Department of Commerce.

¹Four time periods were examined, the late midseventies (1975 through 1977), the early seventies (1969 through 1971), the late fifties (1959), and the early fifties (1950). Data for years more current than 1977 were not available when the basic analysis for this report was prepared. Three-year averages of data were used for 1969-71 and 1975-77 to minimize effects of adverse weather and market conditions. A lack of data for earlier years prevented similar averaging for 1950 and 1959.

This report highlights a larger analysis, *Agricultural Counties: Their Location, Farms, and Economies*, by Robert A. Hoppe. Write to: the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161. Ask for PB81-207-862. Paper copies cost \$8.00; microfiche copies are \$3.50.

Formerly farming counties were farming counties in 1950, but no longer depend on farming. Most of the 1,202 counties in this group lost their economic dependence on farming in the fifties or sixties. These counties were common in the Midwest, South, and West.

Nonfarm counties did not depend significantly on farming in any of the periods studied. There were 1,135 such counties. They were concentrated in the Northeast, but were also in coastal areas of the Pacific Ocean and Great Lakes and in scattered areas throughout the rest of the Nation.

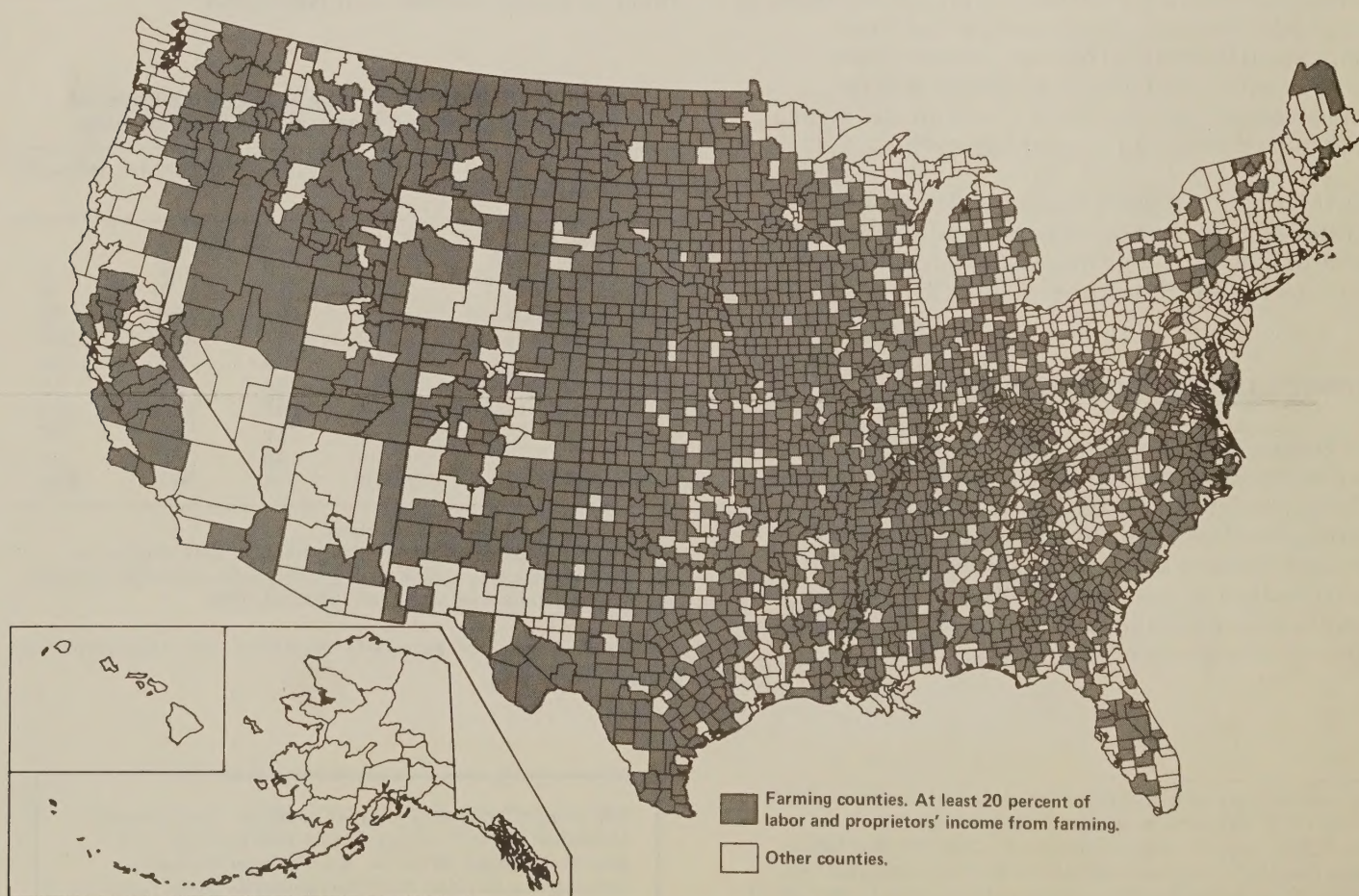
Overshadowed counties earned less than 20 percent of their income from farming in 1975-77, yet were among the top 20 percent of U.S. counties when

counties were ranked by farm income. These 374 counties were important to U.S. farming because they produced over a quarter of all U.S. farm sales. However, income from other sources eclipsed their farm income. There were 210 formerly farming counties and 164 nonfarm counties in the overshadowed group. Major concentrations of these counties were in the Pacific States, southern Florida, North Carolina, and a broad belt beginning in southern Minnesota and central Iowa and running through Wisconsin, Illinois, southern Michigan, and Indiana to western Ohio.

The decline of farming as a major source of proprietors' and labor income during the last three decades is depicted in figures 1 and 2. Only a third of the farming counties in 1950 formed the

Figure 1

Farming Counties, 1950





consistently farming group in 1975-77. Some of the 1950 farming counties, however, also appear as overshadowed counties in 1975-77.

County Characteristics Compared

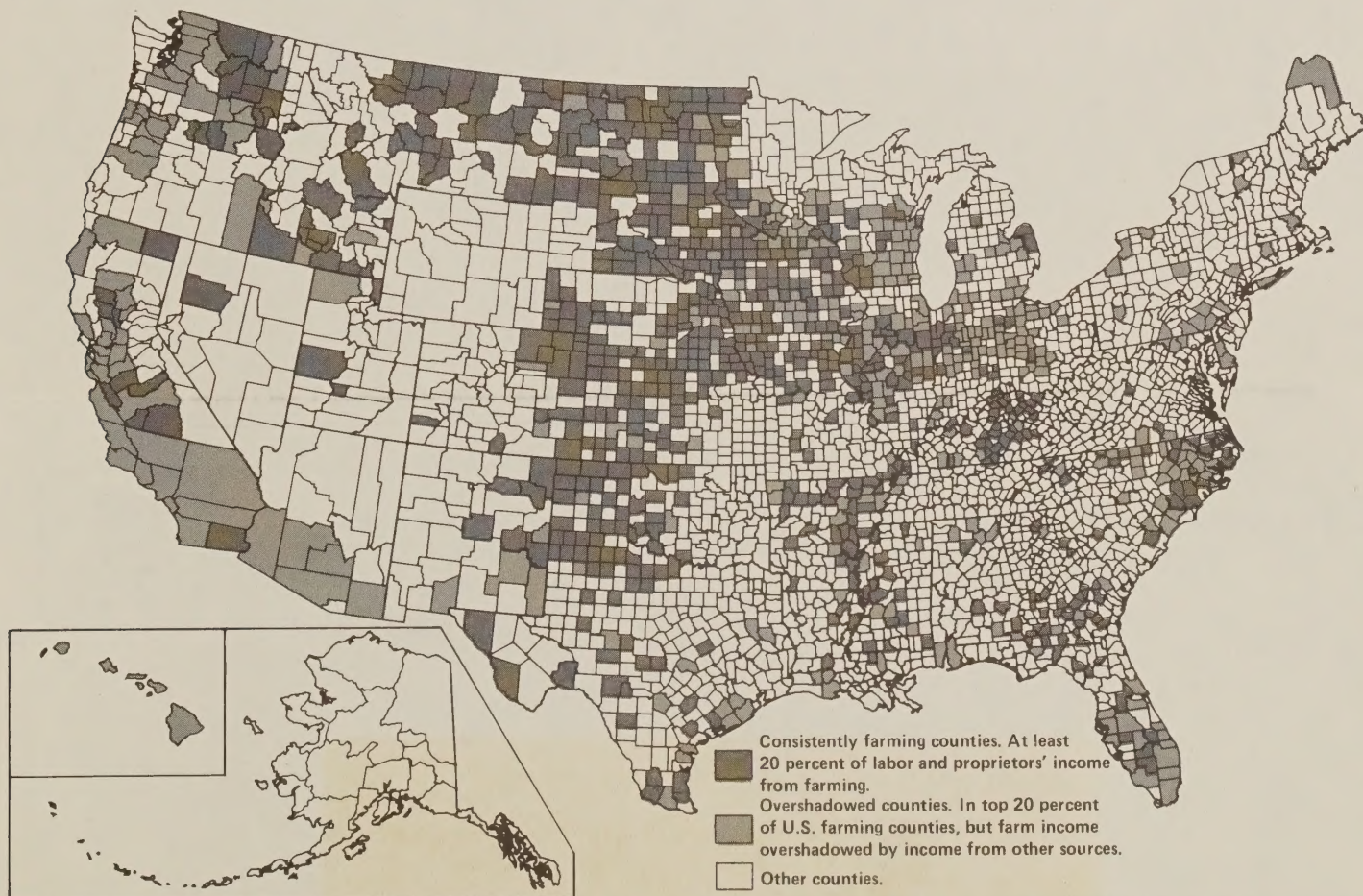
The half million farms in consistently farming counties averaged 585 acres, compared to the 440-acre U.S. average. Although these counties contained only 23 percent of the Nation's farms, they had 31 percent of U.S. land in farms and 33 percent of the farms with more than \$40,000 in sales. These counties harvested 53 percent of the U.S. wheat acreage, 47 percent of the land in other small grains, 41 percent of the sorghum acreage, 38 percent of the land in corn, and 33 percent of the land in soybeans.

Nearly 78 percent of the farm operators in consistently farming counties reported farming as their principal occupation, compared to only 58 percent in the other groups. Farmers in consistently farming counties were more likely to rent part of the land they farmed, allowing them to operate larger farms without buying more land. They were slightly younger and less likely to be members of minority groups.

Overshadowed counties had a smaller average farm size (296 acres) and a smaller portion of the Nation's farmland (15.1 percent). Yet these counties harvested 28 percent of the land in corn, 27 percent of the soybean acreage, 22 percent of the cotton acreage, 39 percent of the tobacco acreage, and over 50 percent of the land in fruits and vegetables.

Figure 2

Consistently Farming and Overshadowed Counties, 1975-77





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Overshadowed and consistently farming counties together sold about 60 percent of the Nation's farm products.

A county's dependence on farming does not necessarily result in low per capita income. Although per capita personal income in consistently farming counties averaged 20 percent lower than in nonfarm counties, it was slightly higher than in formerly farming counties. If drought had not been widespread in the midseventies, farming would probably have been the largest source of income in the farm-loss counties, as it was in consistently farming counties.

Transfer payments (including receipts from Social Security, unemployment insurance, public assistance, and other government programs) were among the top three sources of income in all groups of counties.

About 30 percent of all jobs in consistently farming and farm-loss counties were on farms in the midseventies. Farming provided less than 4 percent of total employment in the remaining counties. Most people who worked on farms were proprietors rather than wage and salary employees. Government (local, State, and Federal) and service firms were the largest employers of wage and salary workers in all county groups.

Counties with a continuing dependence on agriculture tend to be sparsely settled, containing only 4 percent of the Nation's population. Population in the consistently farming group averaged 11,800 per county and only 8,700 in the farm-loss group, compared to 27,200 in the formerly farming group and over 150,000 in the nonfarm group. Population growth was slowest in consistently farming and farm-loss counties.

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